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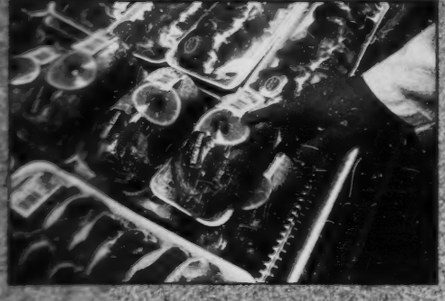

BRANDED BONELESS PORK

BRANDS--A NEW WAVE

EMPHASIZING 'GRAIN FED'

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SUPERMARKET BUSINESS

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AUGUST 1985

CAN RED MEAT MAKE A COMEBACK?/KEN PARTCH, EDITOR **12**

Possibly. It depends on whether packagers, packers and retailers can think of it more as a something to be marketed rather than as a commodity. Consumers have been looking elsewhere for upscale food excitement and value. But the movement to win back red meat buyers is growing. Kroger and Nob Hill General Stores are two chains that have taken some innovative steps to meat marketing.

RICO'S BANKS ON BOOM TIMES IN MASSACHUSETTS **20**
KEVIN COUPE, ASSOCIATE EDITOR

This small chain is anticipating a vast amount of industrial and other development in its area of Massachusetts. It has embarked on vast expansion and building plans. Whether boom times will come or not remains to be seen, but Rico's isn't hedging its bets.

NONFOODS BUSINESS:
PUEBLO'S XTRA: IN NONFOODS, IT'S MIAMI NICE **29**

Pueblo's low-key approach to nonfoods in its new Miami Xtra store generates high profits—up to $1 million annually from just three percent of the store's square footage.

SOFT SALES IN HARDWARE AT SUPERMARKETS **35**
DOUG HARRIS, SENIOR EDITOR

Where hardware is concerned, "smaller is better," retailers say, in terms of product and section.

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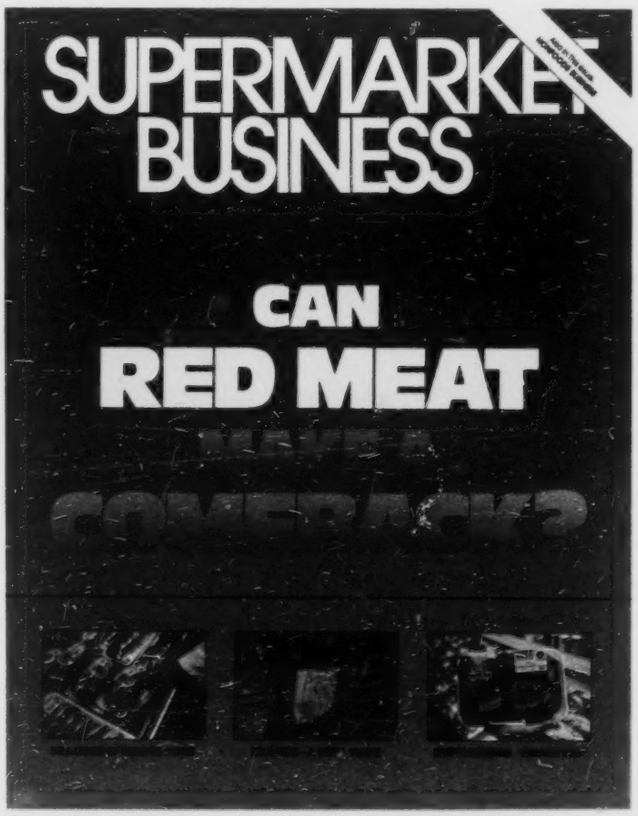

SAMI UPDATE:

BY ALAN MILLER, JR.

May Growth Rate for HBA Products Topped Only By Refrigerated Foods

Although sales of HBA products in food stores aren't going through the roof, the figures are encouraging, particularly when looked upon as a fairly broad advance, with sales increases in six out of eight product groups.

During SAMI's 28-day reporting period ending May 24, 1985, five product departments had tonnage gains. Measured in units, increases ranged from a low of just 0.1 percent in the case of frozen foods to a high of 5.5 percent for refrigerated foods.

Health and beauty aids in all 50 categories tracked by SAMI registered a combined gain of 1.8 percent, which exceeded the growth rate for dry grocery: food (+1.5 percent) or dry grocery: non-food (+1.4 percent). The HBA gain rate was three times the 0.6 percent improvement recorded in the preceding four-week period. Furthermore, the current rate of gain was on top of a 3.9 percent improvement in the corresponding period in 1984 over 1983, which in turn showed a 3.4 percent rise over the comparable 1982 period.

Sales of health and beauty aids in food stores cannot be described accurately as going "through the roof," but the trend is encouraging, particularly when looked upon as a fairly broad advance with pluses registered in six out of eight product groups and in 28 out of 50 product categories.

Four-week dollar volume in all 50 categories combined amounted to $555.3 million, an increase of 6.9 percent over the period a year ago. Here again, only refrigerated foods, with a retail dollar increase of 7.6 percent, enjoyed a higher gain rate.

Infant clothes down

Among the four baby needs HBA categories measured by SAMI, the only negative trend was for infant clothes, which has been in the doldrums for a number of months. Due in part to the strong sales performance of private label brands, baby powders enjoyed an upsurge of 8.3 percent, which nearly erased the annual loss in this category.

There was only one four-week negative trend in the hair care product group—a loss of 7.6 percent among home permanent kits. This loss rate is consistent with the ongoing trend line for these items, which have only exhibited one four-week period of gain during the past year. Growth is still taking place in the hair setting needs category as a result of a continuation of new brands and items of hair styling mousse products. The next highest rates of gain were 7.1 percent for hair coloring and 6.3 percent for hair spray. Perma Soft and Atune were two of the new brands within the year that contributed to the gain for hair spray. Clairol's Ultress in nine markets was also new within the hair coloring category.

Shampoo unit volume was 1.1 percent in the black for the four weeks compared with a loss of 1.0 percent on a 12-week basis. Volume for hair conditioning rinses is running stronger and the most recent gain rate was 4.5 percent, aided by the national roll-outs of Ivory, Lilt, Dimension, Rave, Atune and Revlon Perm. The level of sales increase in the case of hair dressing needs rose to 4.3 percent for the four weeks as opposed to a gain of only 1.8 percent for the 12 weeks and just 0.2 percent at an annual rate.

Oral hygiene

Oral hygiene categories were all on a downswing trend line except for mouthwash, which managed a gain of 2.1 percent, lower than the 12-week trend of +3.4 percent or the annual performance of +2.7 percent. The most significant loss rate was 6.5 percent for the highest volume category in the product group—toothpaste and powder.

Nursing supplies showed continued forward progress and the current gain of 8.1 percent is higher than during any other four-week period in well over a year. The gain of 1.8 percent for baby oils, creams & lotions compares with a loss of 1.0 percent on a 12-week basis or 1.2 percent for the full year.

Of the eight categories in SAMI's deodorant product group, gains and losses were split down the middle, four and four, with deodorant and talcum powder only in the loss column by a hair. All eight categories showed improved trend performance when compared with the 12-week periods. Where there were gains on a 12-week basis, there were higher increases for the four weeks and where there were 12-week losses, there were lower loss rates in May.

Stick deodorants continue to increase their share of total personal deodorant volume and their 18.5 percent this month was outpaced only by an upsurge of 132.7 percent for hair setting needs and 26.8 percent perennial favorite—eye care products.

Fading creams

Cream deodorants continue to fade in importance and their

HEALTH & BEAUTY AIDS: SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

PRODUCT GROUP AND CATEGORY	% CHANGE VS. YEAR AGO 4 WEEKS ENDING 3/29/85	4 WEEKS ENDING 4/26/85	4 WEEKS ENDING 5/24/85
BABY NEEDS	**– 2.0%**	**– 0.3%**	**+ 3.4%**
Baby Powders	+ 0.7	+ 1.3	+ 8.3
Baby Oils, Creams & Lotions	– 5.9	+ 1.1	+ 1.8
Infant Clothes	– 7.7	– 21.6	– 14.0
Nursing Supplies	+ 3.7	+ 7.1	+ 8.1
DEODORANTS	**– 3.5%**	**+ 0.0%**	**+ 6.1%**
Sprays	– 11.9	– 9.4	– 1.4
Roll-Ons	– 8.9	– 5.9	– 1.7
Stick Deodorants & Pads	+ 5.8	+ 9.3	+ 18.5
Creams	– 10.9	– 11.0	– 7.2
Deodorants & Talcum Powders	– 11.1	– 1.9	± 0.0
Feminine Hygiene Deodorants	– 6.8	+ 3.8	+ 11.8
Foot Deodorants & Athlete's Foot Remedies	+ 4.8	+ 16.2	+ 11.9
Feminine Douches	+ 3.9	+ 9.0	+ 9.6
FIRST AID	**+ 2.9%**	**+ 7.3%**	**+ 6.5%**
Antiseptics	+ 6.3	+ 14.3	+ 7.2
First Aid Products	+ 2.0	+ 5.4	+ 6.3
HAIR CARE NEEDS	**+ 1.7%**	**+ 5.2%**	**+ 6.4%**
Shampoos	– 5.5	+ 2.0	+ 1.1
Hair Sprays	+ 2.4	+ 0.0	+ 6.3
Hair Conditioning Rinses	+ 6.3	+ 1.7	+ 4.5
Hair Setting Needs	+ 151.2	+ 200.3	+ 132.7
Home Permanent Kits	– 4.8	– 14.3	– 7.6
Hair Coloring	– 2.0	– 3.8	+ 7.1
Hair Dressing Needs	– 0.8	+ 1.9	+ 4.3
ORAL HYGIENE	**+ 1.8%**	**– 3.1%**	**– 4.4%**
Toothpastes & Powders	+ 1.7	– 6.6	– 6.5
Mouthwashes	+ 2.5	+ 5.4	+ 2.1
Breath Fresheners	+ 12.6	+ 10.3	– 2.7
Denture Cleaners	– 3.5	– 0.2	– 6.0
Denture Adhesives	– 2.0	– 2.2	– 3.2
Toothbrushes	+ 3.7	+ 3.0	– 0.7
PROPRIETARY REMEDIES	**– 3.5%**	**– 1.7%**	**+ 0.8%**
Antacids	– 1.2	– 3.2	+ 2.8
Internal Analgesics	– 2.3	+ 0.8	+ 4.1
External Analgesics	– 3.9	+ 8.0	– 0.5
Cold Tablets	– 3.7	+ 1.3	+ 1.9
Nasal Sprays—Drops—Inhalers	– 1.8	+ 0.8	– 2.2
Chest Rubs	– 16.4	– 13.6	14.2
Cough Remedies	– 9.6	– 11.7	11.4
Laxatives	– 1.2	– 3.2	2.2
Sleeping Aids	+ 12.2	+ 14.0	+ 15.0
Tranquilizers	– 30.4	– 25.2	29.1
Vitamins	– 9.9	– 2.4	+ 1.3
Eye Care Products	+ 21.8	+ 26.5	+ 26.8
Appetite Suppressants	– 13.3	– 17.2	13.5
SHAVING NEEDS	**– 2.1%**	**+ 0.4%**	**– 0.3%**
Shaving Creams	– 0.9	+ 5.1	+ 3.3
Pre-Shave Lotions	– 2.8	– 1.5	+ 5.2
After-Shave Lotions	– 6.3	– 3.2	+ 1.7
Razor Blades	– 1.8	– 0.5	1.8
Razors & Blades	– 14.9	– 14.3	9.0
SKIN CARE AIDS	**+ 7.7%**	**+ 7.5%**	**+ 3.9%**
Hand & Body Creams & Lotions	+ 3.0	+ 11.8	+ 13.6
Facial Preparations	+ 7.4	+ 6.7	+ 10.3
Lip Care Products	+ 1.2	+ 9.2	– 14.1
Suntan Lotions & Oils	+ 64.4	+ 5.6	– 10.5
Cosmetic & Medicated Skin Aids	– 0.3	+ 1.6	+ 4.0
TOTAL ALL CATEGORIES	**– 0.5%**	**+ 0.6%**	**+ 1.8%**

Vitamins moved into the plus category for the first time in a year; strong sales of private label entries helped to make the gain possible.

current loss rate was 7.2 percent compared with losses of 1.4 percent for sprays and 1.7 percent for roll-ons. Good gains were registered by feminine hygiene deodorants (+11.8 percent), foot deodorants and athlete's foot remedies (+11.9 percent) and feminine douches (+9.6 percent). In all of these deodorant categories combined, the four-week gain was 6.1 percent, which compares favorably with the increase of 0.8 percent on a 12-week interval basis and 1.0 percent for the full year.

Both first aid antiseptics (+7.2 percent) and first aid products (+6.3 percent) moved strongly ahead and showed combined strength (+6.5 percent) versus the 12-weeks (+5.6 percent) and 52-weeks (+1.8 percent).

Gains occasioned by the rolling out of Colgate's Dentaguard and the strong showing of the Colgate pump were not sufficient to wipe out the declines suffered by P&G's Crest and Gleem and unit losses for each of Lever Bros.' toothpaste and gel entries. Denture cleaners also had an increasing rate of decline with a month of May loss of 6.0 percent. New product activity has not been expanding volume in this category. Denture adhesives also was on the losing side and has run behind year ago levels (–3.2 percent) for two consecutive reporting periods. Secure has rolled out nationally in this category but recent sales performance has not kept pace with the initial achievement when national distribution was completed in July 1984. Toothbrush volume was down slightly following two periods with gains of more than three percent.

Six of the 13 proprietary remedy categories tracked by SAMI had gains, including double-digit increases amounting to 26.8 percent for eye care products and 15.0 percent for sleeping aids. There was a 4.1 percent increase for internal analgesics, by far the highest volume category in this product group. Antacids moved ahead 2.8 percent, a favorable trend in light of a 12-week loss rate of 0.6 percent.

Cold tablets remained on the plus side of the ledger for the second period in a row, but a continuation of the double-digit loss rate for cough remedies was recorded. The 2.2 percent loss for laxatives and stool softeners was identical with the 12-week trend. Vitamins moved into plus territory for the first time in a year and stronger sales of private label entries helped to make the gain possible. Weakness continues in the appetite suppressants category, most probably a result of consumers making their diet food purchases in other product categories.

Shaving needs, as a product group, are still running in arrears of the 1984 pace, but the rate of decline has been improving and is only 0.3 percent in the period under study. Gains for shaving creams (+3.3 percent), pre-shave lotions (+5.2 percent) and after shave lotions (+1.7 percent), are now found and the most serious decline (–9.0 percent), is in the razors and blades category which has the lowest unit volume in the product group.

Skin off

The rate of increase among skin care needs has declined, and in the current period, four-week losses are found in two categories: lip care products (–14.1 percent) and suntan lotion-suntan oil (–10.5 percent). However, offsetting these losses are double-digit gains for hand & body cream lotions (+13.6 percent) and facial preparations (+10.3 percent). In the hand & body creams & lotion category, P&G's Wondra has moved into the plus column and S.C. Johnson's Curel, now national, was not on sale in the period a year ago.

New products, particularly Buf-Puf and Phisopuff, have helped to expand volume in the facial preparation category. Cosmetic & medicated skin aids enjoyed a four-week rate of gain amounting to 4.0 percent—higher than the 1.8 percent seen on a 12-week reporting basis.

All in all, the HBA picture is bullish, especially when viewed in relation to trends in all product departments except refrigerated. ■